



# PDC NEWS

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711 Capitol Way, Room 206  
Olympia Washington

## Public Disclosure Commission

**Earl Tilly, Chair**  
**Jane Noland, Vice-Chair**  
**Bill Brumsickle, Secretary**  
**Mike Connelly, Member**  
**Ken Schellberg, Member**

September 15, 2005

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### Legislative Matters

The Commission voted to support a supplemental appropriation request sponsored by Representative Jim Moeller to fund a feasibility study of costs associated with designing and implementing a new electronic filing system for lobbyists and lobbyist employers.

The Commission authorized staff to proceed with agency request bills regarding:

Higher penalty authority: Currently, the Commission can levy maximum civil penalties of \$1,000 for a single violation or \$2,500 for multiple violations of the state's Public Disclosure Act. The existing maximum penalties were established in 1985 and have not been adjusted since by the legislature. The proposed penalty authority would be \$1,700 and \$4,200 respectively, which only adjusts for inflation. The proposed legislation will include a provision allowing for periodic adjustments based on inflation.

Citizen Action Complaint Process: Extend the state's response time to a citizen's action complaint from 45 calendar days to 45 business days and extend the citizen's final notice period from 10 calendar days to 10 business days before legal action may be commenced.

### Rulemaking

The Commission began the formal process of updating the following rules:

WAC 390-05-400	Changes in dollar amounts
WAC 390-37-136	Production of documents and use at hearing (adjudicative proceeding)
WAC 390-12-010	Public Disclosure Commission – regular meetings

The Commission also agreed to begin drafting new rules implementing the new Electioneering Communications Act (ESSB 5034).

### Pending Litigation

The Commission voted 4-0 to ask the Attorney General to appeal Rickert v. Public Disclosure Commission to the Washington State Supreme Court. In Rickert, the Court of Appeals held that RCW 42.17.530(1)(a) is unconstitutional. RCW 42.17.530(1)(a) prohibits a person from sponsoring with actual malice a political advertisement containing a false statement of material fact about a candidate. The Court reasoned that the statutory prohibition was not limited to defamatory speech and thus violated the 1<sup>st</sup> Amendment of the US Constitution.

### Advisory Matters

The Commission asked PDC staff to research alternative measures to standard civil penalties when a violation of the public disclosure laws is found and the Respondent is indigent.

## **Electronic Filing Waivers**

The Commission denied an exception from electronic filing requested by **Dennis Faker**, a 2005 candidate for Tacoma City Council. Faker was given an extension until October 3, 2005 to begin filing electronically.

A temporary suspension from electronic filing requested by **Darlene Kordonowy**, a 2005 candidate for Bainbridge Island Mayor, was denied.

## **Public Comment**

The Commission heard public comment from the **WA Assn of Sewer & Water Districts** and the **Washington Public Utility Districts** regarding AGO 2005 No. 4 relating to "elected legislative body" as that term is used in RCW 42.17.130.

## **Reporting Modifications**

The Commission granted reporting modifications to the Personal Financial Affairs Statement (PDC Form F-1) for the following individuals:

**Reuven M. Carlyle**, a Community and Technical College Board member, who requested an exemption from reporting the business customers of Twisted Pair Solutions, Inc., a Seattle based software company of which he is chairman of the board and AirSage, Inc., a wireless software company in Georgia of which he is a board member.

**Jayasri Guha**, Information Services Board Member, who requested an exemption from reporting the business customers of Weyerhaeuser Company and Weyerhaeuser Real Estate Company, corporations of which she is an officer.

**Bonnie Mackey**, a 2005 candidate for Shoreline City Council, who requested an exemption from reporting the business customers of a) Evergreen Power Systems of which her spouse is president; b) NetVersant Solutions, Inc. of which her spouse is a director; c) Puget Sound Electrical Workers Pension Trust of which her spouse is a trustee; d) National Electrical Contractors Association of which her spouse is a district vice-president; e) Electric 21 Foundation of which her spouse is a trustee; and f) National Electrical Benefit Fund of which her spouse is a trustee.

**Francois X. Forgette**, a Washington State University Regent, who requested an exemption from reporting the business customers of a) Rettig, Osborne & Forgette, LLP, a law firm of which he is a partner; b) Shumate, Inc., a Kennewick business of which he is a director; c) Tri-City Industrial Development Council, a Kennewick non-profit entity of which he is chairman of the board; and d) Tri-City Visitors and Convention Bureau, a non-profit organization of which he is a board member.

**Mark Varljen**, a 2005 candidate for Coupeville School Board, who requested an exemption from reporting the business customers of SCS Engineers, a Bellevue based engineering, consulting, and contracting company of which he is vice-president.

**Merilla Hopkins**, a 2005 candidate for Davenport School Board, who requested an exemption from reporting the business customers of Langenhorst, Norwood and Hopkins, an accounting firm in which her spouse has an ownership interest.

## **Enforcement**

### **Hearings:**

**Charles Alexander**, a director of Granger School District 204, was found in violation of RCW 42.17.240 for failing to file a statement of personal financial affairs. This was Alexander's fourth occasion of not timely filing the report. He was assessed a \$1,000 penalty with \$250 suspended if the report is filed and the non-suspended portion of the penalty paid within 30 days from the date of the order and there are no further violations for 2 years.

**Kip Calaway**, a director of Wahluke School District 073, was found in violation of RCW 42.17.240 for failing to timely file a statement of personal financial affairs. This was Calaway's fourth occasion of not timely filing the report. He was assessed a \$750 penalty with \$250 suspended if there are no further violations for 2 years.

**Antoni Froehling**, a director of Sumner School District 320, was found in violation of RCW 42.17.240 for failing to timely file a statement of personal financial affairs. This was Froehling's fourth occasion of not timely filing the report. He was assessed a \$750 penalty with \$250 suspended conditioned upon his payment of the non-suspended portion of the penalty and an outstanding \$400 penalty from 2004 within 30 days from the date of the order.

**Dan Roseburg**, a commissioner of Grant County Fire District 5, was found in violation of RCW 42.17.240 for failing to timely file a statement of personal financial affairs. This was Roseburg's fourth occasion of not timely filing the report. He was assessed a \$750 penalty with \$250 suspended if there are no further violations for 2 years.

**Requests for Reconsideration:**

**Leona Adams**, a director of Loon Lake School District 183, was found in violation of RCW 42.17.240 at a brief enforcement hearing on June 23, 2005 for failing to timely file a statement of personal financial affairs and was assessed a \$300 civil penalty. Her request for reconsideration was denied.

**Gregory Barnes**, a director of Ocosta School District 172, was found in violation of RCW 42.17.240 at a brief enforcement hearing on June 23, 2005 for failing to timely file a statement of personal financial affairs and was assessed a \$400 civil penalty. His request for reconsideration was granted and the Commission suspended \$200 of the penalty assessed in June.

**Phillip DeLeo**, a city council member for the City of Bonney Lake, was found in violation of RCW 42.17.240 at a brief enforcement hearing on June 23, 2005 for failing to timely file a statement of personal financial affairs and was assessed a \$300 civil penalty. His request for reconsideration was granted and the Commission vacated the Order from the June hearing.

**Kory Heindselman**, a director of Okanogan School District 105, was found in violation of RCW 42.17.240 at a brief enforcement hearing on June 23, 2005 for failing to timely file a statement of personal financial affairs and was assessed a \$100 civil penalty. His request for reconsideration was granted and the Commission vacated the Order from the June hearing.

**Julie Hill**, a director of College Place School District 250, was found in violation of RCW 42.17.240 at a brief enforcement hearing on June 23, 2005 for failing to timely file a statement of personal financial affairs and was assessed a \$100 civil penalty. Her request for reconsideration was denied.

The Commission meeting materials may be found at [www.pdc.wa.gov](http://www.pdc.wa.gov) under **Commission Meetings** at **Meeting Agendas and Materials**. For additional information concerning these issues contact Lori Anderson, Acting Communications & Training Officer, at (360) 664-2737, toll free 1-877-601-2828 or e-mail at [landerson@pdc.wa.gov](mailto:landerson@pdc.wa.gov).